

# Elgi Equipments (ELEQ IN)

**Q4FY26 Result Update**

June 1, 2026

 Estimate Change |  Target |  Reco.

## Change in Estimates

|                 | Current    |        | Previous   |        |
|-----------------|------------|--------|------------|--------|
|                 | FY27E      | FY28E  | FY27E      | FY28E  |
| Rating          | Accumulate |        | Accumulate |        |
| Target Price    | 637        |        | 603        |        |
| Sales (INR mn)  | 44,665     | 50,470 | 44,312     | 49,801 |
| % Chng.         | 0.8        | 1.3    |            |        |
| EBITDA (INR mn) | 7,057      | 8,176  | 7,090      | 8,068  |
| % Chng.         | (0.5)      | 1.3    |            |        |
| EPS (INR)       | 15.5       | 18.2   | 15.0       | 17.2   |
| % Chng.         | 3.3        | 5.8    |            |        |

## Key Data

ELGE.BO | ELEQ IN

|                     |                          |
|---------------------|--------------------------|
| BSE Code            | 522074                   |
| NSE Code            | ELGIEQUIP                |
| 52-W High / Low     | INR 634 / INR 408        |
| Face Value          | 1                        |
| Sensex / Nifty      | 74,776 / 23,548          |
| Market Cap          | INR 182 bn / \$ 1,913 mn |
| Shares Outstanding  | 316.91 mn                |
| 3M Avg. Daily Value | INR 260.98 mn            |

## Shareholding Pattern (%)

|                            |       |
|----------------------------|-------|
| Promoters                  | 31.19 |
| FIs                        | 22.20 |
| Mutual Funds               | 7.56  |
| Domestic Institutions      | 38.52 |
| Public and Others          | 0.53  |
| Promoter's Pledge (INR mn) | -     |

## Stock Performance (%)

|          | 1M  | 3M   | 6M   | 12M  |
|----------|-----|------|------|------|
| Absolute | 1.3 | 7.2  | 12.3 | 14.9 |
| Relative | 5.0 | 16.6 | 28.8 | 25.4 |

## Key Financials - Consolidated

| Y/e Mar             | FY25    | FY26    | FY27E   | FY28E   |
|---------------------|---------|---------|---------|---------|
| Sales (INR mn)      | 35,104  | 39,507  | 44,665  | 50,470  |
| EBITDA (INR mn)     | 5,249   | 5,791   | 7,057   | 8,176   |
| Margin (%)          | 15.0    | 14.7    | 16.0    | 17.0    |
| PAT (INR mn)        | 3,502   | 4,181   | 4,922   | 5,770   |
| EV (INR mn)         | 178,407 | 178,659 | 175,945 | 172,932 |
| Total Debt (INR mn) | 5,772   | 5,331   | 5,031   | 4,731   |
| C&C Eq. (INR mn)    | 1,203   | 1,635   | 2,466   | 4,679   |
| EPS (INR)           | 11.1    | 13.2    | 15.5    | 18.2    |
| Gr. (%)             | 12.2    | 19.4    | 17.7    | 17.2    |
| DPS (INR)           | 2.0     | 2.0     | 3.1     | 3.6     |
| Yield (%)           | 0.3     | 0.3     | 0.5     | 0.6     |
| RoE (%)             | 20.1    | 20.4    | 20.1    | 20.0    |
| RoCE (%)            | 24.4    | 22.9    | 23.9    | 23.7    |
| EV/Sales (x)        | 5.1     | 4.5     | 3.9     | 3.4     |
| EV/EBITDA (x)       | 34.0    | 30.9    | 24.9    | 21.2    |
| PE (x)              | 51.9    | 43.5    | 36.9    | 31.5    |
| P/BV (x)            | 9.7     | 8.1     | 6.8     | 5.8     |

## Healthy Q4, Europe revival on cards

### Quick Pointers

- For Q1FY27 management expects growth broadly in line with previous year, with margins remaining stable
- For FY27 capex planned at ~Rs2bn, including ~Rs1.2bn for factory relocation and Rs700mn as maintenance capex
- ~3% price hike introduced in market to avoid hit on profitability amid commodity price increases

We revise our FY27E/FY28E EPS estimates by +3.3%/+5.8%, factoring in the recent price hikes across key markets, normalization of tariff rates and a gradual turnaround in the European business. Elgi Equipments (ELGI) reported a healthy Q4FY26 performance with revenue growing ~12% YoY, driven by broad-based traction across India, North America and Europe while EBITDA margins expanded by 56bps YoY due to higher employee costs, investments towards shared services, GTM initiatives and ongoing digital transformation programs, which management views as strategic investments to support future growth. Demand indicators remain encouraging with healthy enquiry levels across key industrial segments, although order conversion timelines have elongated amid uncertainty arising from geopolitical developments in West Asia and commodity price volatility. North America continues to witness improving momentum across industrial, medical, portable and distribution businesses following organizational restructuring, while Europe has largely completed its cost rationalization initiatives and is expected to return to profitability in FY27. ELGI continues to strengthen its competitive positioning through increasing backward integration, with over 95% of motor requirements now sourced in-house, supporting cost efficiency and product innovation. Additionally, ongoing investments in GTM capabilities, inventory optimization, digital infrastructure and new product development are expected to support market-share gains and gradual margin improvement over the medium term, while commodity inflation and geopolitical developments remain key near-term monitorable. The stock is currently trading at a PE of 36.9x/31.5x on FY27/28E. We roll forward to Mar'28E and maintain our 'Accumulate' rating on the stock valuing it at a PE of 35x Mar'28E (35x Sep'27E earlier) arriving at a TP of Rs637 (Rs565 earlier).

### Quarter Summary

| Y/e Mar            | Q4'26E | Q4'26A | % Var.  | Q4'25A | YoY gr. (%) |
|--------------------|--------|--------|---------|--------|-------------|
| Net Sales (INR mn) | 11,017 | 11,126 | 1.0     | 9,929  | 12.0        |
| EBITDA (INR mn)    | 1,762  | 1,742  | -1.0    | 1,499  | 16.0        |
| Margin (%)         | 16.0   | 15.7   | -30 bps | 15.1   | 60 bps      |
| PAT (INR mn)       | 1,163  | 1,280  | 10.0    | 1,020  | 25.0        |

Source: Company, PL

**Amit Anwani**  
 amitanwani@plindia.com | +91-22-66322250

**Hitesh Agarwal**  
 hiteshagarwal@plindia.com | +91-22-66322535

**Long-term view:** While the impact of the ongoing West Asia conflict, commodity price volatility and the pace of recovery in Europe remain key near-term monitorable, we remain constructive on ELGI's long-term growth prospects driven by (1) its strong positioning among the leading air-compressor players globally and in India, (2) increasing technology differentiation and backward integration, (3) a growing installed base supporting higher-margin aftermarket revenues, (4) continued new product introductions and market-share gains, and (5) leadership in the automotive garage equipment segment.

**Volume and price hike aided the performance:** Consol. revenue increased by 12.1% YoY to Rs11.1bn (Ple: Rs11.0bn) driven by ~12% YoY growth in Air Compressors sales to Rs10.1bn and 10.6% YoY growth in Automotive equipment sales to Rs1bn. Gross margin expanded by 88bps YoY to 49.8%. (Ple: 50.7%) . EBITDA grew by 16.2% YoY to Rs1.7bn (Ple: Rs1.8bn). EBITDA margin expanded by 56bps YoY to 15.7% (Ple: 16.0% ) primarily due to expansion in gross margin. PBT (ex. Extra ordinaries) increased by 18.8% YoY to Rs1.7bn (Ple: Rs1.6bn) aided by higher other income (+32.9% YoY to Rs222mn) and lower interest cost (-23% YoY to Rs61mn). Adj. PAT increased by 25.5% YoY to Rs1.3bn (Ple: Rs1.2bn) supported by lower effective tax rate (-586bps YoY to 21.7%).

**Regional performance:** Air Compressors growth was driven by double digit growth across India and American Market. While Performance in Europe and Australia remained subdued amid prevailing economic headwinds. ELEQ's compressor mix stood at 51%/49% from India/RoW in Q4FY26 (vs. 54%/46% in Q4FY25).

**Exhibit 1 : Revenue increased by 12.1% YoY to Rs11.1bn with EBITDA margin expanded by 56bps to 15.7%**

| Y/e March (INR mn)                | Q4FY26       | Q4FY25       | YoY gr.      | Q4FY26E      | % Var.       | Q3FY26       | QoQ gr.      | FY26         | FY25         | YoY gr.      |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales                             | 11,126       | 9,929        | 12.1%        | 11,017       | 1.0%         | 10,034       | 10.9%        | 39,507       | 35,104       | 12.5%        |
| Gross Profit                      | 5,538        | 4,855        | 14.1%        | 5,581        | -0.8%        | 5,086        | 8.9%         | 20,168       | 17,930       | 12.5%        |
| Margin (%)                        | 49.8         | 48.9         | 88           | 50.7         | (88.4)       | 50.7         | (91)         | 51.0         | 51.1         | (3)          |
| Employee Cost                     | 2,015        | 1,721        | 17.1%        | 1,943        | 3.7%         | 1,940        | 3.9%         | 7,755        | 6,828        | 13.6%        |
| as % of sales                     | 18.1         | 17.3         | 78           | 17.6         | 47.8         | 19.3         | (122)        | 19.6         | 19.5         | 18           |
| Other expenditure                 | 1,781        | 1,635        | 8.9%         | 1,876        | -5.1%        | 1,707        | 4.3%         | 6,622        | 5,853        | 13.1%        |
| as % of sales                     | 16.0         | 16.5         | (46)         | 17.0         | (102.4)      | 17.0         | (100)        | 16.8         | 16.7         | 9            |
| <b>EBITDA</b>                     | <b>1,742</b> | <b>1,499</b> | <b>16.2%</b> | <b>1,762</b> | <b>-1.2%</b> | <b>1,439</b> | <b>21.1%</b> | <b>5,791</b> | <b>5,249</b> | <b>10.3%</b> |
| Margin (%)                        | 15.7         | 15.1         | 56           | 16.0         | (33.8)       | 14.3         | 132          | 14.7         | 15.0         | (29)         |
| Depreciation                      | 250          | 195          | 28.2%        | 213          | 17.6%        | 213          | 17.4%        | 858          | 760          | 12.9%        |
| <b>EBIT</b>                       | <b>1,492</b> | <b>1,304</b> | <b>14.4%</b> | <b>1,550</b> | <b>-3.7%</b> | <b>1,226</b> | <b>21.7%</b> | <b>4,933</b> | <b>4,489</b> | <b>9.9%</b>  |
| Margin (%)                        | 13.4         | 13.1         | 28           | 14.1         | (65.6)       | 12.2         | 119          | 12.5         | 12.8         | (30)         |
| Other Income                      | 222          | 167          | 32.9%        | 172          | 29.3%        | 245          | -9.4%        | 865          | 577          | 49.9%        |
| Interest                          | 61           | 79           | -22.8%       | 87           | -29.8%       | 50           | 22.0%        | 254          | 305          | -16.7%       |
| <b>PBT (ex. Extra-ordinaries)</b> | <b>1,653</b> | <b>1,392</b> | <b>18.8%</b> | <b>1,635</b> | <b>1.1%</b>  | <b>1,421</b> | <b>16.3%</b> | <b>5,544</b> | <b>4,761</b> | <b>16.4%</b> |
| Margin (%)                        | 14.9         | 14.0         | 84           | 14.8         | 2.1          | 14.2         | 70           | 14.0         | 13.6         | 47           |
| Extraordinary Items               | -            | -            | -            | -            | -            | (150)        | -            | 163          | -            | -            |
| <b>PBT</b>                        | <b>1,653</b> | <b>1,392</b> | <b>18.8%</b> | <b>1,635</b> | <b>1.1%</b>  | <b>1,271</b> | <b>30.1%</b> | <b>5,707</b> | <b>4,761</b> | <b>19.9%</b> |
| Total Tax                         | 358          | 383          | -6.5%        | 461          | -22.3%       | 337          | 6.2%         | 1,472        | 1,314        | 12.0%        |
| Effective Tax Rate (%)            | 21.7         | 27.5         | (586)        | 28.2         | (653.3)      | 26.5         | (486)        | 25.8         | 27.6         | (181)        |
| <b>PAT before JVs</b>             | <b>1,295</b> | <b>1,009</b> | <b>28.3%</b> | <b>1,174</b> | <b>10.3%</b> | <b>934</b>   | <b>38.7%</b> | <b>4,235</b> | <b>3,447</b> | <b>22.9%</b> |
| Profit/(Loss) from JVs            | (15)         | 11           | -236.4%      | (11)         | 35.3%        | 18           | -183.3%      | 67           | 55           | 21.8%        |
| <b>Reported PAT</b>               | <b>1,280</b> | <b>1,020</b> | <b>25.5%</b> | <b>1,163</b> | <b>10.1%</b> | <b>952</b>   | <b>34.5%</b> | <b>4,302</b> | <b>3,502</b> | <b>22.8%</b> |
| <b>Adj. PAT</b>                   | <b>1,280</b> | <b>1,020</b> | <b>25.5%</b> | <b>1,163</b> | <b>10.1%</b> | <b>1,062</b> | <b>20.5%</b> | <b>4,181</b> | <b>3,502</b> | <b>19.4%</b> |
| Margin (%)                        | 11.5         | 10.3         | 123          | 10.6         | 95.2         | 9.5          | 202          | 10.9         | 10.0         | 91           |
| <b>Adj. EPS</b>                   | <b>4.0</b>   | <b>3.2</b>   | <b>25.5%</b> | <b>3.7</b>   | <b>10.1%</b> | <b>3.4</b>   | <b>20.5%</b> | <b>13.2</b>  | <b>11.0</b>  | <b>19.4%</b> |

Source: Company, PL

Exhibit 2 : Revenue growth across both reportable segments while Air compressors margin remain flattish YoY

| Segment Data           | Q4FY26 | Q4FY25 | YoY gr. | Q4FY26E | % Var. | Q3FY26 | QoQ gr. | FY26   | FY25   | YoY gr. |
|------------------------|--------|--------|---------|---------|--------|--------|---------|--------|--------|---------|
| <b>Revenue (Rs mn)</b> |        |        |         |         |        |        |         |        |        |         |
| Air Compressors        | 10,092 | 8,999  | 12.1%   | 9,845   | 2.5%   | 9,195  | 9.8%    | 36,134 | 32,118 | 12.5%   |
| Automotive Equipment   | 1,037  | 938    | 10.6%   | 1,148   | -9.7%  | 842    | 23.2%   | 3,386  | 3,015  | 12.3%   |
| <b>PBT (Rs mn)</b>     |        |        |         |         |        |        |         |        |        |         |
| Air Compressors        | 1,506  | 1,330  | 13.2%   | 1,446   | 4.2%   | 1,331  | 13.1%   | 5,484  | 4,426  | 23.9%   |
| Automotive Equipment   | 151    | 62     | 143.5%  | 150     | 0.8%   | 88     | 71.6%   | 371    | 335    | 10.7%   |
| <b>PBT Margin (%)</b>  |        |        |         |         |        |        |         |        |        |         |
| Air Compressors        | 14.9   | 14.8   | 14      | 14.7    | 23.6   | 14.5   | 45      | 15.2   | 13.8   | 140     |
| Automotive Equipment   | 14.6   | 6.6    | 795     | 13.0    | 152.3  | 10.5   | 411     | 11.0   | 11.1   | (15)    |

Source: Company, PL

### Conference Call Highlights:

**Guidance:** Management guided for Q1FY27 revenue growth to **remain similar or slightly better** than FY26 growth trends, with profitability broadly **sustaining current levels**. While commodity inflation remains a key monitorable, Elgi has already implemented **~2.5-3% price hikes** and remains committed to protecting margins through timely pricing actions.

**Domestic Market:** Management highlighted healthy demand across industrial segments with **strong enquiry levels across sectors**. While **order conversion** timelines **have elongated** due to uncertainty around the Middle East situation and commodity prices, demand remains broad-based with continued traction from **manufacturing, engineering, foundry, forging and industrial capex**. GTM undertaken over the last 2.5 years is largely completed and will focus on execution.

**US Market:** North America continues to perform well with strong growth across industrial compressors, distribution and medical businesses. Management remains optimistic on the region and is undertaking selective **GTM initiatives** to further accelerate growth. Tariff uncertainty has moderated **~25% rate** (vs 50% earlier) with clarity emerging around the revised tariff structure.

**Europe:** Management indicated that the **Europe restructuring** and cost realignment program has largely been completed. Europe achieved **breakeven in Q4FY26** and is expected to deliver at least **breakeven to marginal** profitability in FY27, while remaining a strategic market for future market share gains.

**New Products:** The company plans to launch its new **low-cost compressor** range in Sep'26 to address increasing competition from Chinese players in the entry-level segment. In addition, Elgi continues to invest in vacuum technology through its partnership with DVP and is developing next-generation proprietary motor platforms expected to be launched over the next 12-18 months.

**Competition:** Industry structure remains largely stable globally; however, management highlighted increasing competitive intensity from low-cost Chinese compressor manufacturers across India, Europe and the US. Elgi's response strategy, including the upcoming low-cost product platform, has been completed and commercial launch is scheduled for September.

**Capex:** Management guided for FY27 capex of **~Rs2bn, including ~Rs1.2-1.3bn** towards factory relocation and capacity consolidation projects, with the balance allocated towards regular maintenance and balancing capex requirements.

**Pricing:** EBITDA was impacted by **higher employee costs** due to **organizational restructuring, shared services transition and investments in digital initiatives**. Management has already taken **~2.5-3% price increases** to offset commodity inflation and remains focused on maintaining profitability through disciplined pricing actions. Commodity inflation and metal price volatility remain key monitorables over the near term.

**Digital & IT Initiatives:** Elgi continues to invest in digital transformation, process automation and IT infrastructure to strengthen global processes, compliance and control systems. Key investments include PLM and forecasting tools, inventory optimization initiatives and digital process upgrades, with the transformation journey expected to continue over the next 3–4 years. Management believes these investments will improve operational efficiency, forecasting accuracy and scalability across global operations.

## Financials

### Income Statement (INR mn)

| Y/e Mar                       | FY25          | FY26          | FY27E         | FY28E         |
|-------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenues</b>           | <b>35,104</b> | <b>39,507</b> | <b>44,665</b> | <b>50,470</b> |
| YoY gr. (%)                   | 9.1           | 12.5          | 13.1          | 13.0          |
| Cost of Goods Sold            | 17,174        | 19,339        | 21,752        | 24,528        |
| Gross Profit                  | 17,930        | 20,168        | 22,913        | 25,942        |
| Margin (%)                    | 51.1          | 51.0          | 52.0          | 52.0          |
| Employee Cost                 | 6,828         | 7,755         | 8,531         | 9,589         |
| Other Expenses                | 5,853         | 6,622         | 7,325         | 8,176         |
| <b>EBITDA</b>                 | <b>5,249</b>  | <b>5,791</b>  | <b>7,057</b>  | <b>8,176</b>  |
| YoY gr. (%)                   | 8.0           | 10.3          | 21.9          | 15.9          |
| Margin (%)                    | 15.0          | 14.7          | 16.0          | 17.0          |
| Depreciation and Amortization | 760           | 858           | 921           | 1,010         |
| <b>EBIT</b>                   | <b>4,489</b>  | <b>4,933</b>  | <b>6,136</b>  | <b>7,166</b>  |
| Margin (%)                    | 12.8          | 12.5          | 13.7          | 14.2          |
| Net Interest                  | 305           | 254           | 311           | 293           |
| Other Income                  | 577           | 865           | 852           | 960           |
| <b>Profit Before Tax</b>      | <b>4,761</b>  | <b>5,707</b>  | <b>6,678</b>  | <b>7,833</b>  |
| Margin (%)                    | 13.6          | 14.4          | 15.0          | 15.5          |
| Total Tax                     | 1,314         | 1,472         | 1,823         | 2,138         |
| Effective Tax Rate (%)        | 27.6          | 25.8          | 28.0          | 28.0          |
| <b>Profit After Tax</b>       | <b>3,447</b>  | <b>4,235</b>  | <b>4,855</b>  | <b>5,694</b>  |
| Minority Interest             | -             | -             | -             | -             |
| Share Profit from Associate   | 55            | 67            | 67            | 76            |
| <b>Adjusted PAT</b>           | <b>3,502</b>  | <b>4,181</b>  | <b>4,922</b>  | <b>5,770</b>  |
| YoY gr. (%)                   | 12.2          | 19.4          | 17.7          | 17.2          |
| Margin (%)                    | 9.8           | 10.4          | 10.8          | 11.2          |
| Extra Ord. Income / (Exp)     | -             | 121           | -             | -             |
| <b>Reported PAT</b>           | <b>3,502</b>  | <b>4,302</b>  | <b>4,922</b>  | <b>5,770</b>  |
| YoY gr. (%)                   | 12.2          | 22.8          | 14.4          | 17.2          |
| Margin (%)                    | 10.0          | 10.9          | 11.0          | 11.4          |
| Other Comprehensive Income    | -             | -             | -             | -             |
| Total Comprehensive Income    | 3,502         | 4,302         | 4,922         | 5,770         |
| <b>Equity Shares O/s (mn)</b> | <b>317</b>    | <b>317</b>    | <b>317</b>    | <b>317</b>    |
| <b>EPS (INR)</b>              | <b>11.1</b>   | <b>13.2</b>   | <b>15.5</b>   | <b>18.2</b>   |

Source: Company, PL

### Balance Sheet (INR mn)

| Y/e Mar                               | FY25          | FY26          | FY27E         | FY28E         |
|---------------------------------------|---------------|---------------|---------------|---------------|
| <b>Non-Current Assets</b>             |               |               |               |               |
| <b>Gross Block</b>                    | <b>9,583</b>  | <b>11,222</b> | <b>13,232</b> | <b>14,867</b> |
| Tangibles                             | 8,659         | 10,217        | 12,166        | 13,752        |
| Intangibles                           | 924           | 1,005         | 1,066         | 1,115         |
| <b>Acc: Dep / Amortization</b>        | <b>5,762</b>  | <b>6,620</b>  | <b>7,541</b>  | <b>8,551</b>  |
| Tangibles                             | 5,075         | 5,831         | 6,642         | 7,537         |
| Intangibles                           | 687           | 789           | 898           | 1,014         |
| <b>Net Fixed Assets</b>               | <b>3,821</b>  | <b>4,602</b>  | <b>5,691</b>  | <b>6,316</b>  |
| Tangibles                             | 3,584         | 4,386         | 5,524         | 6,215         |
| Intangibles                           | 237           | 216           | 167           | 101           |
| Capital Work In Progress              | 530           | 1,357         | 89            | 101           |
| Goodwill                              | 2,094         | 2,388         | 2,388         | 2,388         |
| Non-Current Investments               | 578           | 1,601         | 1,871         | 2,089         |
| Net Deferred Tax Assets               | 154           | 232           | 232           | 232           |
| Other Non-Current Assets              | 275           | 167           | 469           | 530           |
| <b>Current Assets</b>                 |               |               |               |               |
| Investments                           | 351           | 1,223         | 351           | 351           |
| Inventories                           | 6,085         | 7,107         | 7,342         | 8,296         |
| Trade Receivables                     | 6,084         | 7,239         | 7,587         | 8,435         |
| Cash & Bank Balance                   | 8,745         | 7,180         | 10,466        | 13,179        |
| Other Current Assets                  | 1,108         | 996           | 1,251         | 1,413         |
| <b>Total Assets</b>                   | <b>30,415</b> | <b>35,455</b> | <b>39,258</b> | <b>44,906</b> |
| <b>Equity</b>                         |               |               |               |               |
| Equity Share Capital                  | 317           | 317           | 317           | 317           |
| Other Equity                          | 18,339        | 22,002        | 26,223        | 30,933        |
| <b>Total Network</b>                  | <b>18,656</b> | <b>22,319</b> | <b>26,540</b> | <b>31,250</b> |
| <b>Non-Current Liabilities</b>        |               |               |               |               |
| Long Term Borrowings                  | 697           | 892           | 892           | 892           |
| Provisions                            | 46            | 75            | 246           | 278           |
| Other Non Current Liabilities         | -             | -             | -             | -             |
| <b>Current Liabilities</b>            |               |               |               |               |
| ST Debt / Current of LT Debt          | 5,075         | 4,439         | 4,139         | 3,839         |
| Trade Payables                        | 3,367         | 4,596         | 4,161         | 4,978         |
| Other Current Liabilities             | 2,379         | 2,924         | 3,071         | 3,459         |
| <b>Total Equity &amp; Liabilities</b> | <b>30,415</b> | <b>35,455</b> | <b>39,258</b> | <b>44,906</b> |

Source: Company, PL

**Cash Flow (INR mn)**

| Y/e Mar                              | FY25           | FY26           | FY27E          | FY28E          |
|--------------------------------------|----------------|----------------|----------------|----------------|
| PBT                                  | 4,816          | 5,774          | 6,678          | 7,833          |
| Add. Depreciation                    | 760            | 858            | 921            | 1,010          |
| Add. Interest                        | 305            | 254            | 311            | 293            |
| Less Financial Other Income          | 577            | 865            | 852            | 960            |
| Add. Other                           | (405)          | (190)          | -              | -              |
| Op. Profit before WC Changes         | 5,476          | 6,696          | 7,909          | 9,136          |
| Net Changes-WC                       | (170)          | (665)          | (2,872)        | (1,572)        |
| Direct Tax                           | (1,397)        | (1,496)        | (1,823)        | (2,138)        |
| <b>Net Cash from Op. Activities</b>  | <b>3,909</b>   | <b>4,535</b>   | <b>3,214</b>   | <b>5,426</b>   |
| Capital Expenditures                 | (932)          | (1,054)        | (2,010)        | (1,635)        |
| Interest / Dividend Income           | 483            | 689            | -              | -              |
| Others                               | (2,380)        | (618)          | 872            | -              |
| <b>Net Cash from Inv. Activities</b> | <b>(2,829)</b> | <b>(983)</b>   | <b>(1,138)</b> | <b>(1,635)</b> |
| Issue of Share Cap. / Premium        | -              | -              | -              | -              |
| Debt Changes                         | (900)          | (1,949)        | (300)          | (300)          |
| Dividend Paid                        | (632)          | (694)          | (634)          | (984)          |
| Interest Paid                        | (316)          | (258)          | (311)          | (293)          |
| Others                               | (323)          | (219)          | -              | -              |
| <b>Net Cash from Fin. Activities</b> | <b>(2,171)</b> | <b>(3,120)</b> | <b>(1,245)</b> | <b>(1,577)</b> |
| <b>Net Change in Cash</b>            | <b>(1,091)</b> | <b>432</b>     | <b>831</b>     | <b>2,213</b>   |
| Free Cash Flow                       | 2,961          | 2,991          | 1,204          | 3,791          |

Source: Company, PL

**Quarterly Financials (INR mn)**

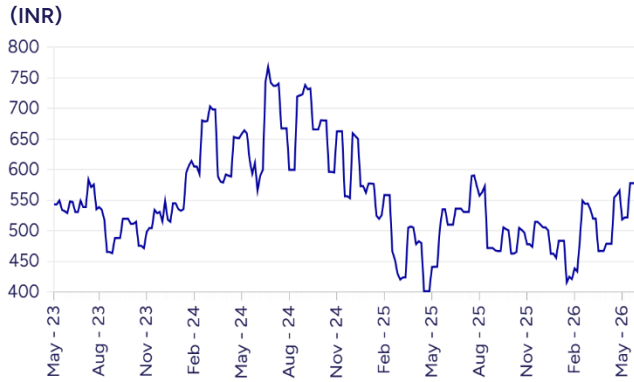
| Y/e Mar                           | Q1FY26       | Q2FY26       | Q3FY26        | Q4FY26        |
|-----------------------------------|--------------|--------------|---------------|---------------|
| <b>Net Revenues</b>               | <b>8,667</b> | <b>9,680</b> | <b>10,034</b> | <b>11,126</b> |
| YoY gr. (%)                       | 8.2          | 11.4         | 18.4          | 12.1          |
| Raw Material Expenses             | 4,145        | 4,658        | 4,948         | 5,588         |
| Gross Profit                      | 4,522        | 5,022        | 5,086         | 5,538         |
| Margin (%)                        | 52.2         | 51.9         | 50.7          | 49.8          |
| <b>EBITDA</b>                     | <b>1,211</b> | <b>1,399</b> | <b>1,439</b>  | <b>1,742</b>  |
| YoY gr. (%)                       | 6.3          | (1.2)        | 20.5          | 16.2          |
| Margin (%)                        | 14.0         | 14.5         | 14.3          | 15.7          |
| Depreciation / Depletion          | 188          | 207          | 213           | 250           |
| <b>EBIT</b>                       | <b>1,023</b> | <b>1,192</b> | <b>1,226</b>  | <b>1,492</b>  |
| Margin (%)                        | 11.8         | 12.3         | 12.2          | 13.4          |
| Net Interest                      | 73           | 70           | 50            | 61            |
| Other Income                      | 197          | 201          | 245           | 222           |
| <b>Profit before Tax</b>          | <b>1,147</b> | <b>1,636</b> | <b>1,271</b>  | <b>1,653</b>  |
| Margin (%)                        | 13.2         | 16.9         | 12.7          | 14.9          |
| Total Tax                         | 321          | 456          | 337           | 358           |
| Effective Tax Rate (%)            | 28.0         | 27.9         | 26.5          | 21.7          |
| <b>Profit After Tax</b>           | <b>826</b>   | <b>1,180</b> | <b>934</b>    | <b>1,295</b>  |
| Minority Interest                 | -            | -            | -             | -             |
| Share Profit from Associate       | 30           | 34           | 18            | (15)          |
| <b>Adjusted PAT</b>               | <b>856</b>   | <b>988</b>   | <b>1,062</b>  | <b>1,280</b>  |
| YoY gr. (%)                       | 17.5         | 4.3          | 31.8          | 25.5          |
| Margin (%)                        | 9.9          | 10.2         | 10.6          | 11.5          |
| Extra Ord. Income / (Exp)         | -            | 226          | (110)         | -             |
| <b>Reported PAT</b>               | <b>856</b>   | <b>1,214</b> | <b>952</b>    | <b>1,280</b>  |
| YoY gr. (%)                       | 17.5         | 28.2         | 18.1          | 25.5          |
| Margin (%)                        | 9.9          | 12.5         | 9.5           | 11.5          |
| Other Comprehensive Income        | -            | -            | -             | -             |
| <b>Total Comprehensive Income</b> | <b>856</b>   | <b>1,214</b> | <b>952</b>    | <b>1,280</b>  |
| Avg. Shares O/s (mn)              | 317          | 317          | 317           | 317           |
| <b>EPS (INR)</b>                  | <b>2.7</b>   | <b>3.1</b>   | <b>3.4</b>    | <b>4.0</b>    |

Source: Company, PL

**Key Financial Metrics**

| Y/e Mar                    | FY25 | FY26 | FY27E | FY28E |
|----------------------------|------|------|-------|-------|
| <b>Per Share (INR)</b>     |      |      |       |       |
| EPS                        | 11.1 | 13.2 | 15.5  | 18.2  |
| CEPS                       | 13.4 | 15.9 | 18.4  | 21.4  |
| BVPS                       | 58.9 | 70.4 | 83.7  | 98.6  |
| FCF                        | 9.3  | 9.4  | 3.8   | 12.0  |
| DPS                        | 2.0  | 2.0  | 3.1   | 3.6   |
| <b>Return Ratio (%)</b>    |      |      |       |       |
| RoCE                       | 24.4 | 22.9 | 23.9  | 23.7  |
| ROIC                       | 35.0 | 27.9 | 30.0  | 31.1  |
| RoE                        | 20.1 | 20.4 | 20.1  | 20.0  |
| <b>Balance Sheet</b>       |      |      |       |       |
| Net Debt : Equity (x)      | -    | -    | -     | -     |
| Net Working Capital (Days) | 92   | 90   | 88    | 85    |
| <b>Valuation (x)</b>       |      |      |       |       |
| PER                        | 51.8 | 43.4 | 36.9  | 31.4  |
| P/B                        | 9.7  | 8.1  | 6.8   | 5.8   |
| P/CEPS                     | 42.6 | 36.0 | 31.1  | 26.8  |
| EV/EBITDA                  | 33.9 | 30.8 | 24.9  | 21.1  |
| EV/Sales                   | 5.0  | 4.5  | 3.9   | 3.4   |
| Dividend Yield (%)         | 0.3  | 0.3  | 0.5   | 0.6   |
| FCFF Yield (%)             | 1.6  | 1.6  | 0.6   | 2.0   |
| PEG Ratio                  | 4.2  | 2.2  | 2.0   | 1.8   |

Source: Company, PL

**Price Chart**

**Recommendation History**

| No. | Date      | Rating     | TP (INR) | Share Price (INR) |
|-----|-----------|------------|----------|-------------------|
| 1   | 09-Apr-26 | Accumulate | 603      | 500               |
| 2   | 27-Feb-26 | Accumulate | 603      | 541               |
| 3   | 12-Feb-26 | Accumulate | 565      | 512               |
| 4   | 07-Jan-26 | Accumulate | 561      | 472               |
| 5   | 13-Nov-25 | Accumulate | 561      | 500               |
| 6   | 07-Oct-25 | Accumulate | 559      | 494               |
| 7   | 13-Aug-25 | Accumulate | 559      | 500               |
| 8   | 09-Jul-25 | Accumulate | 559      | 535               |
| 9   | 30-May-25 | Accumulate | 559      | 500               |
| 10  | 09-Apr-25 | BUY        | 517      | 418               |

**Analyst Coverage Universe**

| Sr. No. | Company Name                     | Rating     | TP (INR) | Share Price (INR) |
|---------|----------------------------------|------------|----------|-------------------|
| 1       | ABB India                        | HOLD       | 6523     | 7013              |
| 2       | Apar Industries                  | Hold       | 13309    | 13426             |
| 3       | BEML                             | Accumulate | 1922     | 1603              |
| 4       | Bharat Electronics               | Accumulate | 453      | 413               |
| 5       | BHEL                             | REDUCE     | 321      | 377               |
| 6       | Carborundum Universal            | REDUCE     | 986      | 1102              |
| 7       | Cummins India                    | Hold       | 4182     | 4907              |
| 8       | Elgi Equipments                  | Accumulate | 603      | 500               |
| 9       | Engineers India                  | Buy        | 271      | 216               |
| 10      | GE Vernova T&D India             | Accumulate | 4650     | 4385              |
| 11      | Grindwell Norton                 | Accumulate | 1887     | 1680              |
| 12      | Harsha Engineers International   | Hold       | 461      | 439               |
| 13      | Hindustan Aeronautics            | BUY        | 5423     | 4386              |
| 14      | Hitachi Energy India             | REDUCE     | 30768    | 35995             |
| 15      | Ingersoll-Rand (India)           | Buy        | 4589     | 3798              |
| 16      | Kalpataru Projects International | BUY        | 1466     | 1258              |
| 17      | KEC International                | Accumulate | 558      | 499               |
| 18      | Kirloskar Pneumatic Company      | BUY        | 1715     | 1448              |
| 19      | Larsen & Toubro                  | BUY        | 4632     | 4055              |
| 20      | Praj Industries                  | Accumulate | 340      | 337               |
| 21      | Siemens                          | Hold       | 3750     | 3879              |
| 22      | Siemens Energy India             | Accumulate | 3274     | 3086              |
| 23      | Thermax                          | REDUCE     | 3969     | 4678              |
| 24      | Triveni Turbine                  | HOLD       | 638      | 638               |
| 25      | Voltamp Transformers             | Accumulate | 10503    | 10002             |

**PL's Recommendation Nomenclature (Absolute Performance)**

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>BUY</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |

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**Corporate Office:** 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

**Registered Office:** 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

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